

**01011**

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Q: Any comment on the report that the PRC maintains travel restrictions on our Consulate in Shenyang to prevent the US from observing arms shipments to North Korea, whence they proceed to the Middle East?

A: -- PRC RESTRICTIONS PREVENT USG PERSONNEL FROM TRAVELING BY CONSULAR OR PRIVATELY OWNED VEHICLE ANYWHERE IN THE SHENYANG CONSULAR DISTRICT OUTSIDE A NARROW PERIMETER SURROUNDING SHENYANG MUNICIPALITY. THIS RESTRICTION APPLIES TO TRAVEL THROUGHOUT NORTHEASTERN CHINA, NOT MERELY TO THE NORTH KOREAN BORDER.

Q: Any truth to the report that Chinese Silkworm missiles and intermediate range ballistic missiles, destined for the Middle East, are being transhipped through North Korea.

*First of all,*

A: -- ^ WE HAVE NO INFORMATION TO CONFIRM ANY NEW CHINESE SILKWORM DELIVERIES TO IRAN.

-- IN THE PAST, CHINESE OFFICIALS HAVE ANNOUNCED  
*WHAT THEY CALL*  
THAT CHINA HAS TAKEN ^ "STRICT MEASURES" TO ENSURE THAT CHINESE ANTI-SHIP MISSILES DO NOT REACH IRAN THROUGH THE INTERNATIONAL ARMS MARKET. WE BELIEVE THAT THESE STEPS HAVE BEEN EFFECTIVE. WE CONTINUE TO MONITOR THIS SITUATION.

-- AS FOR BALLISTIC MISSILES, ON A NUMBER OF OCCASIONS, INCLUDING DURING SECRETARY SHULTZ' AND SECRETARY CARLUCCI'S TRIPS TO CHINA LAST YEAR, THE US HAS EXPRESSED ITS CONCERN TO SENIOR PRC LEADERS OVER THE DANGERS POSED BY BALLISTIC MISSILE PROLIFERATION.